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SUBJECT: GOM PROPOSES INCREASES IN SECURITY AND JUSTICE SPENDING

REF: MEXICO 2764

Increased Security Spending

¶1. On September 8 the GOM sent the 2009 budget to Congress for debate and approval. The most eye-catching aspect of the budget was President Calderon's announcement of a "near 40 percent" increase for security and justice. According to our math, security spending in real terms would actually rise by 32.9 percent in the amount of MX\$54bn (US\$5.14bn)) accounting for the budget's 2009 projection for inflation at 3.8 percent and growth of 3 percent. Calderon said that the security budget had to be increased because "security, justice, and law and order" are the key challenges facing the country. He reiterated that his administration would continue with its current strategy of using the army and the navy to support the police in the war against drug-trafficking gangs.

(Comment: As the overall budget projects increased spending by just 5.7% in real terms, there will clearly be some big losers: Transportation and Communication, as well as Agriculture will see some significant cuts. See reftel. End Comment.)

¶2. Calderon was speaking about the security budget at a ceremony to celebrate the achievements of the federal police force and to confirm promotions. He repeated his promise to overhaul the police and improve training and also to increase public confidence by increasing citizens' monitoring of the federal force. The president said that the GOM would continue with its national system for police training and development (Sistema Nacional de Desarrollo Policial); its efforts to coordinate various police forces, intelligence gathering (the Sistema Unico de Informacion Criminal) and the overall harmonization of the country's different federal, state, and municipal police forces under the &Platform Mexico8 computer system.

Breakdown for Security Secretariats

¶3. If approved, the respective budgets for the Public Security Secretariat (SSP) would increase by 49.8%; the Attorney General's Office (PGR), 29.2%; the Interior Secretariat (SEGOB), 25.1%; the National Defense Secretariat (SEDENA), 16.1%; and the Navy (SEMAR), 12.3%. The sum total of the budgets for these ministries would increase by MX\$22.5bn, from MX\$88.1bn to MX\$110.6bn (or 5.2% of programmable public expenditure). (Comment: The difference in the referenced MX\$54bn security spending increase versus the MX\$22.5bn increase in the budgets of the security ministries is likely due to both the increases in the judicial branch's budget as well as security/justice related budget line items that do not necessarily fall under the

security ministries, purview. End Comment.

More Spending Necessary, But Alone Not the Solution

¶4. (SBU) According to Mexican security analyst Jorge Chabat, the GOM's response over the past decade to citizens' demands for increased security has been more investment in police personnel and resources in combating crime. Unfortunately, this increased spending has done little to curb insecurity. Today, Mexico has more than half a million police officers, 4.8 for every 1000 inhabitants, which places it above the United States in the index of agents per capita. Furthermore, in the last decade, the security budget has increased by a factor of almost six. Despite the increase in resources, crime rates are at the same, or even higher, levels with one compounding aspect: impunity is also on the rise. According to an analysis conducted by scholars from the Citizen Security, Criminal Justice, and Human Rights project of the Center of Research for Development (CIDAC), with data from 2007, 98 percent of crimes go unpunished.

¶5. (SBU) On the other hand, Chabat expressed optimism about Calderon's security and justice reform plans and noted that increased spending was necessary to implement them. "There is no short term solution," he said, "changing police and judicial institutions will be an inevitably long-term process." The difference this time is that the current administration is taking concrete steps toward achieving that end, rather than simply throwing money at poor performers.

Comment

MEXICO 00002766 002 OF 002

¶6. (SBU) The increased security budget is a clear reflection of the current public alarm over growing crime and violence, and Calderon's effort to articulate the high priority he is giving to combating crime. Over the past few weeks, public safety has been on the top of the political agenda) partly overshadowing other issues such as energy reform) and will remain a significant public issue, putting constant pressure on the GOM to show results. Moreover, it will remain a constant source of acrimony between federal, state and local governments, and political parties. Legislators have kept themselves busy dealing with the public security crisis) all three major parties have introduced bills they say are designed to curb violence. However, politicians we have spoken with in recent days say it will be difficult for opposition elements to take issue with Calderon's security spending priorities, given the public's growing alarm. Visit Mexico City's Classified Web Site at <http://www.state.sgov.gov/p/wha/mexicocity> and the North American Partnership Blog at <http://www.intelink.gov/communities/state/nap/> GARZA